



ELEKTROMOTIVE GROUP LIMITED

(Incorporated in Singapore)

(Company Registration Number 199407135Z)

SALE AND PURCHASE AGREEMENT RELATING TO THE PROPOSED DISPOSAL OF SHARES IN WINE AND DINE EXPERIENCE PTE LTD

*This announcement has been prepared by Elektromotive Group Limited (the “**Company**”) and its contents have been reviewed by the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”) for compliance with the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalyst (the “**Catalist Rules**”). The Sponsor has not verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Keng Yeng Pheng, Associate Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.

1. Introduction

- 1.1 The board of directors (the “**Board**”) of the Elektromotive Group Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has on 27 April 2016 entered into a sale and purchase agreement (the “**SPA**”) with Swee Mei Lan (the “**Purchaser**”), pursuant to which the Company has agreed to sell, and the Purchaser has agreed to purchase, the entire issued and paid-up share capital of Wine and Dine Experience Pte Ltd (“**Wine and Dine**”) (the “**Sale Shares**”), for an aggregate consideration of S\$10,000 (the “**Consideration**”), upon the terms and subject to the conditions of the SPA (the “**Proposed Disposal**”).
- 1.2 As the Sale Shares represent the entire interest of the Company in Wine and Dine, the Company will cease to have any interest in Wine and Dine and Wine and Dine will cease to be a subsidiary of the Company following the completion of the Proposed Disposal.

2. Information on Wine and Dine

- 2.1 Wine and Dine is a private limited company incorporated in Singapore with its registered address at 18 Boon Lay Way #10-96/97 Tradehub 21 Singapore 609966 and is involved in the publishing and sale of periodicals and magazines and media publishing. Wine and

Dine publishes magazine titles such as Wine & Dine and Top Restaurants Guide in Singapore.

3. The Purchaser

- 3.1 The Purchaser is Ms Swee Mei Lan, an ex-employee of the Company and currently holds 11,000 shares in the Company, representing approximately 0.001% of the total issued share capital of the Company.
- 3.2 Save as disclosed above, there is no relationship between the Purchaser and the Company, the directors of the Company (the "**Directors**"), the controlling shareholders of the Company, or their respective associates.

4. Consideration

The Consideration, which shall be fully satisfied in cash, was arrived at after arm's length negotiations on a willing buyer, willing seller basis and after taking into account the historical financials of Wine and Dine. The Consideration is payable in full upon Completion (as defined below).

As stated above, the purchase consideration is \$10,000, compared to the book value of the assets to be disposed as at 31 March 2015 of S\$61,803, will result in an estimated loss of S\$51,803 over the book value.

As at 31 March 2016, the unaudited Net Asset Value ("**NAV**") of Wine and Dine is approximately S\$0.25 million. Notwithstanding the Proposed Disposal is at a discount to NAV, the Board is of the view that the Proposed Disposal is in the best interests of the Company and shareholders due to the following:

- (a) Wine and Dine is loss making and generating negative cash flows and would require funding from the Company going forward;
- (b) the estimated costs incurred of approximately S\$0.11 million for the winding up of Wine and Dine would have been higher than the Consideration; and
- (c) the Company spoke to various parties for the Proposed Disposal but there were no expression of interest save for the Purchaser.

5. Rationale for the Proposed Disposal

Wine and Dine has been loss making for the past few years. The losses incurred by Wine & Dine for the last three financial years ended 31 March 2015, 31 March 2014 and 31 March 2013 were approximately S\$0.22 million, S\$0.43 million and S\$0.36 million respectively. The Proposed Disposal will allow the Group to streamline its existing business by disposing of its less profitable subsidiaries while retaining the more profitable parts of the business. Additionally, the Proposed Disposal will allow the Company to re-strategise its financial and capital resources.

The Company intends to use the net proceeds (after deducting fees incurred for the Proposed Disposal) for working capital purposes.

6. Salient Terms of the Proposed Disposal

6.1 Conditions Precedent to Completion

Completion of the Proposed Disposal is subject to conditions precedent, including but not limited to:

- (a) The approval of the board of directors of the Company being obtained for the Proposed Disposal and all other transactions in connection therewith and incidental thereto, and not amended or revoked prior to Completion;
 - (b) All required approvals, consents, clearances, releases and/or waivers necessary or desirable for the Proposed Disposal and all other transactions in connection therewith and incidental thereto being obtained from any relevant governmental body and not amended or revoked prior to Completion.
- 6.2 Completion to take place by 30 April 2016 or such other time, date and venue as may otherwise agree to in writing ("**Completion**").

7. Financial Effects of the Proposed Disposal

The proforma financial effects of the Group after the Proposed Disposal as set out in this announcement below are for illustrative purposes only and do not reflect the actual future financial position of the Group following the Completion of the Proposed Disposal.

The proforma financial effects of the Proposed Disposal are based on the following assumptions:

- (a) in the calculation of the net tangible assets ("NTA") and NTA per share, for illustrative purposes, it is assumed that the Proposed Disposal had been effected on 31 March 2015;
- (b) in the calculation of NTA per share, the number of shares is based on the total number of issued shares of 684,225,646 as at 31 March 2015;
- (c) in the calculation of loss per share ("LPS"), for illustrative purposes, it is assumed that the Proposed Disposal had been effected on 1 April 2014;
- (d) in the calculation of LPS, the number of shares is based on the weighted average number of ordinary shares of 623,432,531 for the financial year ended 31 March 2015;
- (e) transaction costs incurred for the Proposed Disposal are assumed to be insignificant and ignored for computational purposes

S\$'000	FY 2015	
	Before Proposed Disposal	After Proposed Disposal
Net Tangible Assets	(3,249)	(3,301)
NTA per share (Singapore cents)	(0.47)	(0.48)
Net losses before tax, MI and extraordinary items	(2,776)	(2,602)
Loss per share (Singapore cents)	(0.45)	(0.42)

8. Relative Figures under Rule 1006

The relative figures for the Proposed Disposal computed on the bases set out in Rule 1006 of the Rules of the Catalist of the Listing Manual of the SGX-ST (the "Rules of Catalist") based on the unaudited consolidated financial statements of the Group for the six months ended 30 September 2016 ("HY 2016"), are as follows:-

Rule 1006(a)

The net asset value of Wine and Dine of S\$0.19 million compared with the Group's net asset value of S\$8.49 million as at 30 September 2015 is 2.24%.

Rule 1006(b)

The net loss attributable to Wine and Dine for HY 2016 of S\$0.07 million, compared with the Group's loss of S\$0.24 million for HY 2016 is 29.17%.

Rule 1006(c)

The aggregate value of the consideration received for the Proposed Disposal is S\$10,000, compared to the Company's market capitalization of S\$9,742,101 (based on 2,435,525,365 shares in issue and the weighted average price of S\$0.004 per Share of the Company transacted on the SGX-ST as at 26 April 2016, being the market day preceding the date of the SPA), is 0.10%.

Rule 1006(d)

Not applicable

Rule 1006(e)

Not applicable

As the relative figures computed on the applicable bases set out in Rule 1006 of the Rules of Catalist exceeds 5 % but is less than 50%, the Proposed Disposal therefore constitutes a disclosable transaction within the ambit of Chapter 10 of the Rules of Catalist.

9. Directors' and Controlling Shareholders' Interests

None of the Directors, controlling shareholders of the Company or their associates has any interest, direct or indirect, in the Proposed Disposal (other than through their shareholdings in the Company).

10. Directors' Service Contracts

No person is proposed to be appointed as a director of the Company in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

11. Directors' Responsibility Statement

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Disposal, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

12. Document Available for Inspection

A copy of the SPA will be made available for inspection during normal business hours at the Company's registered office address at 9 Battery Road #15-01, Straits Trading Building, Singapore 049910 for a period of three (3) months commencing from the date of this announcement.

13. Cautionary Statement

Shareholders and potential investors should exercise caution when trading in the Shares, and where in doubt as to the action they should take, they should consult their financial, tax or other professional adviser immediately.

For and on behalf of the Board

Ng Kai Man
Executive Director
27 April 2016